

Funding of Auxiliary Services

Overall Recommendations:

- (1) For transportation services, split the funding by the State into two categories, one for operating and one for capital costs, for increased transparency and due to the different nature of these two types of costs.
- (2) For food services, maintain one allocation for both capital and operating costs.

Funding of Auxiliary Services

Food Services

Operating & Capital Costs

- Option A:
(Recommended)
- (1) School districts currently receive reimbursement by the State for the portion of food service costs that exceed federal reimbursements and other revenues, i.e., the amount of the transfer from the General Fund.
 - (2) Charter schools wanting to be participate in the NSLP and be reimbursed by the State would inform NDE. They would be reimbursed for food service costs that exceed federal reimbursements and other revenues, the same way as school districts.
- Option B:
- (1) School districts currently receive reimbursement by the State for the portion of food service costs that exceed federal reimbursements and other revenues, i.e., the amount of the transfer from the General Fund.
 - (2) Charter schools submit a proposed budget to NDE.

Funding of Auxiliary Services

Operating Funding

Transportation Operating Costs

- Option A:
- (1) Existing school districts receive reimbursement based on a 4-year average of operating costs, adjusted for inflation.
 - (2) Charter schools submit a proposed budget to NDE. Budget would only identify costs associated with transportation operating services. There was no per-capita cap on the amount to be funded.

Note: This was Option 2, approved unanimously by the Commission on 2/11/22. **The problem with the motion is that it did not allow for school districts to submit a budget proposal for acquisition or replacement of fleet (capital).**

Option B:

(Recommended)

Transportation

- (1) Existing school districts receive reimbursement based on a 4-year average of operating costs, adjusted for inflation.
- (2) Charter schools also would receive reimbursement. If they have been operating for 1 year, they'd be reimbursed based on that one year of costs, after two years of operations, they'd be reimbursed based on the average of those two years and so on until they reached the 4-year mark. The amount of that reimbursement would be capped at the same per-pupil transportation operating cost as what the county school district they are located in receives.

Funding of Auxiliary Services

Capital Funding

Transportation Capital Costs

- Option A: (1) The 4-year average of transportation costs above would remove any capital cost reimbursements (acquisition/replacement).
 (2) Annually, both school districts and charter schools submit a proposed budget to NDE, based on their proposed acquisition/replacement costs for the upcoming fiscal year including potentially upfront acquisition costs for a start-up phase.
- Option B: (1) The 4-year average of transportation costs above would remove any capital cost reimbursements (acquisition/replacement).
- (Recommended)** (2) School districts' capital costs would be funded on a per-pupil basis, which is based on the number of active buses in operation (i.e., the number of routes), total enrollment, a 15-year average life, and a cost of \$150,000 per bus initially.*
 (3) Charter schools without an existing fleet would indicate their desire to begin transportation operations to NDE. They would receive the same amount of per-pupil funding as the district they are located in. Any unspent monies would be returned to the State.
- Option C: (1) The 4-year average of transportation costs above would remove any capital cost reimbursements (acquisition/replacement).
 (2)(a) School districts would be funded on a per-pupil basis, which is based on the number of active buses in operation (i.e., the number of routes), total enrollment, a 15-year average life, and a cost of \$150,000 per bus initially.* **OR**
 (2)(b) Alternatively, a school district could submit a proposed budget to NDE for capital costs. If they chose this option, they would forego ever receiving reimbursement of costs under Option 2a above.
 (3) Charter schools without an existing fleet submit a proposed budget to NDE. Budget would only identify capital costs associated with transportation services.

* An example of the District capital per-pupil computation is as follows:

| | | |
|-------------------------------|----|------------|
| Total number of buses | | 300 |
| Bus replacement cost | \$ | 150,000 |
| Average years of life | | 15 |
| Total annual replacement cost | \$ | 3,000,000 |
| Total Enrollment | | 60,000 |
| Allocation per pupil | \$ | 50.00 |